

## ICI Welcomes President Bush's Signing of Pension Protection Act, August 2006

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## Retirement and Education Incentives Will Help Americans Prepare for Future Needs

**Washington, DC, August 17, 2006** - Investment Company Institute President Paul Schott Stevens issued the following statement after President George W. Bush signed Pension Protection Act of 2006:

"Today's signing of the Pension Protection Act will greatly increase Americans' ability to prepare for tomorrow's needs. This landmark legislation will strengthen retirement security and improve families' options in saving for college. We congratulate the Congress and President Bush for their efforts on behalf of workers and investors.

"The Pension Protection Act will make defined contribution retirement plans more effective in meeting the needs of investors. It will increase workers' participation in 401(k)s and similar plans by empowering employers to offer automatic enrollment. The legislation offers savers the certainty of updated contribution levels for 401(k)s and Individual Retirement Accounts, as well as catch-up contributions for older workers. Lower-income families will benefit as the Saver's Credit is made permanent. And these reforms will help ensure workers' contributions are invested wisely, by allowing employers to offer better default investment options and by increasing the range of providers of investment advice to 401(k) and IRA savers.

"The legislation also makes the tax incentives for Section 529 college savings plans permanent—welcome news indeed for families with children. A highly educated workforce will fuel the future growth of our economy, and saving for education is a financial goal for 30 percent of the households that own mutual funds. Parents and grandparents seeking to meet the rising costs of college deserve the certainty of knowing that their savings will continue to enjoy the tax advantages that help them meet their goals."